

MARCH 9, 1976

THE UNITED STATES AND MIDDLE EAST ECONOMY

ANNCR: LAST SUNDAY THE UNITED STATES SECRETARY OF THE TREASURY---WILLIAM SIMON---COMPLETED A VISIT TO FIVE COUNTRIES OF THE MIDDLE EAST. VOA NEWS ANALYST RONALD J. DUNLAVEY HAS THESE THOUGHTS ABOUT MR. SIMON'S TRIP:

VOICE: THE VISIT OF THE UNITED STATES TREASURY SECRETARY TO THE MIDDLE EAST---BEFORE HE WENT ON TO EUROPE---WAS A COMPARATIVELY LOW-KEY EVENT. THE AMERICAN PRESS DEVOTED LITTLE SPACE TO HIS STOPS IN ISRAEL, SYRIA, SAUDI ARABIA AND THE UNITED ARAB EMIRATES. ONLY THE SIMON PRESS CONFERENCE IN CAIRO RECEIVED FRONT-PAGE TREATMENT.

NEVERTHELESS, THE TRIP WAS NOT WITHOUT SIGNIFICANCE. IT WAS AN UNPRECEDENTED UNDERTAKING FOR AN AMERICAN SECRETARY OF THE TREASURY, AND THE IMPORTANCE OF HIS OFFICE---A MEMBER OF THE PRESIDENTIAL CABINET, AND USUALLY RANKED JUST BEHIND THE SECRETARY OF STATE---REFLECTED THE SERIOUSNESS WHICH WASHINGTON ATTACHED TO MR. SIMON'S VISIT, AND THE IMPORTANCE WITH WHICH THE UNITED STATES VIEWS ITS ECONOMIC NO LESS THAN ITS DIPLOMATIC CONNECTIONS IN THE MIDDLE EAST REGION. IN PARTICULAR, SECRETARY SIMON'S MISSION IS SEEN BY SOME OBSERVERS AS FURTHER EVIDENCE OF THE NEW AMERICAN RELATIONS HIP TO THE ARAB WORLD. THAT RELATIONSHIP HAS GROWN SINCE THE AMERICAN NEGOTIATING INITIATIVES TAKEN AFTER THE OCTOBER WAR OF NINETEEN SEVENTY-THREE. IT INCLUDES THE RE-ESTABLISHMENT OF RELATIONS WITH SUCH COUNTRIES AS EGYPT AND SYRIA, WHICH WERE BROKEN AFTER THE NINETEEN SIXTY-SEVEN WAR.

MR. SIMON DISCUSSED DIFFERENT THINGS IN DIFFERENT CAPITALS, BUT HIS PRIMARY PURPOSE WAS TO FIND OUT HOW THE UNITED STATES COULD HELP STRENGTHEN THE ECONOMY OF THE MIDDLE EAST---ESPECIALLY BY ENCOURAGING CAPITAL INVESTMENT. THERE HAS BEEN RELUCTANCE BY AMERICAN COMPAINIES TO INVEST IN EGYPT, FOR EXAMPLE, BECAUSE OF THE PROBLEMS POSED BY THE NEED FOR ADMINISTRATIVE AND FISCAL REFORMS. MR. SIMON CITED THE NEED FOR SUCH REFORMS, BUT HE ALSO PRAISED PRESIDENT SADAT AS A STATESMAN WILLING TO MAKE THE DIFFICULT DECISIONS NECESSARY TO TRANSFORM EGYPT'S STATE-RUN ECONOMY INTO A MIXED ECONOMY IN WHICH PRIVATE INVESTMENT WOULD PLAY AN IMPORTANT PART.

AT ONE POINT IN HIS JOURNEY MR. SIMON WARNED: "THERE CAN BE NO INSTANT SOLUTIONS, NO INSTANT PLANS, NO INSTANT JOBS, NO INSTANT PROSPERITY, JUST WORKING AT THE FUNDAMENTALS TO PROVIDE FOR LONG-RUN DURABLE PROSPERITY." BUT HE ALSO MADE IT CLEAR THAT THE UNITED STATES ATTACHES GREAT IMPORTANCE TO THE ECONOMIC WELL-BEING OF THE MIDDLE EAST. FOR WASHINGTON BELIEVES THAT THERE IS A CLOSE CONNECTION BETWEEN ECONOMIC PROGRESS AND DIPLOMATIC PROGRESS TOWARD LASTING PEACE IN THE MIDDLE EAST---AND THE ONE CAN LEAD TO THE OTHER.

END.

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